



# Press Release

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## Democratic Governors Support Legislative Action Against Gas Price-Gouging

**Washington, D.C.** – After renewing their call to President Bush and Republican leaders in Congress to investigate possible gas price-gouging, Democratic Governors called for further action that would outlaw oil price-gouging during a national emergency and give the Federal Trade Commission and State Attorneys General new powers to protect Americans from artificially inflated gas prices.

“Democratic Governors have made great strides at the state level to investigate price-gouging but we need more help. Corporate profitability should be encouraged – unless it is obtained by illegal price-gouging on the backs of hard-working families,” DGA Chair New Mexico Governor Bill Richardson said. “If companies did price-gouge and profiteer illegally, then commensurate fines and surrender of those ill-gotten gains should be considered and those monies redirected to helping families cope with energy costs.”

While 28 states already have price-gouging laws on the books, the Energy Emergency Consumer Protection Act of 2005 introduced by U.S. Senator Maria Cantwell (D-WA) would allow closer examination on the practices of oil companies and refiners – a sector of the economy that historically has not received close scrutiny from federal or state regulators. The legislation also would empower states with the authority to pursue civil actions on behalf of their residents for violations of price-gouging prohibitions.

In a September 20<sup>th</sup> letter to the President and Congressional leaders, Governors Richardson, Granholm (MI), Blagojevich (IL), Vilsack (IA), Schweitzer (MT), Kulongoski (OR), Gregoire (WA) and Doyle (WI) sounded the original call for an investigation into possible gas price-gouging. Following their call, President Bush asked Attorney General Alberto Gonzales to investigate any price-gouging allegations. The Senate also passed legislation requiring the Federal Trade Commission (FTC) to investigate accusations of gas price-gouging. On October 28<sup>th</sup>, as oil companies reported record profits, Democratic Governors renewed their call for a federal investigation into gasoline price-gouging.

Earlier this week Wisconsin Governor Jim Doyle issued subpoenas requiring the chief executives of five major oil companies to testify about their companies’ record profits following Hurricanes Katrina and Rita during a hearing in Milwaukee on December 1. “The major oil companies have made an unprecedented fortune from recent high gas prices. These same companies also happen to be the largest producers of natural gas, and they are poised to continue to make record profits as heating costs rise 50 to 60 percent in Wisconsin. Now, we call again on President Bush and the Republican-controlled Congress to do their part to make sure people aren’t taken advantage of during times of crisis,” Governor Doyle said.

Fighting price-gouging is only one of the ways Democratic Governors are working to help citizens nationwide meet escalating energy costs and lessen our dependence on foreign oil. For more information, visit <http://www.democraticgovernors.org/uploads/DemGovsLeadOnEnergyIssuesFinal.pdf>.

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